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REPORT

OF

ACTIVITIES

**MONTANA STATE PLANNING BOARD
HELENA, MONTANA**

January 1963 - December 1964



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MONTANA STATE PLANNING BOARD
Sam W. Mitchell Building
Helena, Montana

January 5, 1965

The Honorable Tim Babcock
Governor of Montana
Helena, Montana

Dear Governor Babcock:

The State Planning Board herewith presents to you its fifth "Report of Activities", covering the period from January 1, 1963 through December 31, 1964.

During this biennium the Board has endeavored to maintain successful activities of past years, and has initiated additional programs that appear to have a potential for aiding in the economic development of the State. These are discussed in detail in this report.

The State Planning Board is a relatively new agency, but its existence and purposes are now becoming well known throughout the State and nation and it is being called upon more and more frequently for assistance in all types of development work by local, State, and national companies and agencies. The Federal government, alone, has designated the Board to administer four of its programs in the State since its reactivation in 1955 (HHFA "701" Urban Planning, Small Business Administration research grants, Area Redevelopment Administration, and most recently the Office of Economic Opportunity).

The program has been going forward with a good deal of success. On pages 28 and 29 you will note the major new plants and expansions listed which have occurred in this biennium. In addition to these, hundreds of new jobs have been added by expansion of smaller industries and by addition of second and third work shifts in existing plants. But it must be remembered that technological changes caused some industries to go out of existence, and these losses must be overcome before significant gains will be evident in some economic areas.

I would like to call attention to the fine cooperation given to the Board by our Advisory Council, local development groups and other agencies in the State. With a limited budget and staff, this assistance is most necessary and appreciated.

In transmitting this report, we wish to express to you our appreciation for your sincere interest and participation, both as a Board member and as Governor, in our program to further the development of Montana.

Sincerely,



Henry J. Sawtell
Chairman

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DIRECTOR'S MESSAGE

The specific purpose of this report is to review the work of the State Planning Board over the past two years for those most directly concerned with its establishment and continuance. However, I feel it is equally important to give an indication of our plans for the next biennium in order that you may visualize the growing need for additional staff and adequate funds to carry out the program. I therefore take this opportunity to discuss the economic development of Montana as it relates to the role of the State Planning Board.

I became associated with the State Planning Board as Director during the last half of the biennium being reported, and it goes without saying that the program laid down prior to this was basic and sound and many things were accomplished. It also goes without saying that in order to move ahead we must continue to operate from basically sound policies and practices. This is being done and present plans are for a far greater increase in activities and a general broadening of the entire responsibilities of the Board. Of course, this can only be accomplished with the cooperation and support of the people at the local level. This Board, or any agency whether it be Federal, state or county, cannot lay claim to certain advances; any advance of an economic nature must be the result of many people working together toward a given goal. The results are what count, and while we would like to take credit, in many cases we feel that the credit is due all of those who assisted in any way.

A brief generalization on economic development might be well to consider at this time.

When one speaks of industrial or economic development the first thought that crosses our minds is that of smokestacks and teeming industry as we

know it in other areas. The Planning Board has long considered this aspect and it is felt that at the moment it is wishful thinking to plan on General Motors, Ford Motors, or some other large firm engaged in manufacturing locating facilities in our State. We would like to submit for your consideration the term "pay-roll development." This covers the entire spectrum of economic development -- any time a person draws a pay check or a producer receives money for a raw material, this is economic development. Thus we are interested in all aspects of development, from recreation through our many raw material producers. We are as interested in the farmer and more complete utilization of his products as we are in fly fishing and the manufacture of sporting goods. If there is any way we can be of help or know of any leads that will enhance Montana in the final analysis and employ people either directly or indirectly, we pass up no opportunities.

The section under Economic Development covers some of the fields in which we have been working.

It has been a policy of the Board that there is no greater opportunity for expansion than in industry already located in Montana. This program was enlarged and detailed information was sought in every county in Montana. I personally visited the 56 county seats talking with Chambers of Commerce and other interested people at meetings set up by the Chambers and service clubs such as the Lions, etc. One of the neglected areas is the established businesses that may have a great potential for expansion. Our purpose was to ferret out these industries and get them listed in an up-to-date directory of Montana manufacturers. We receive many requests for information about products made in Montana and in order to answer these inquiries with assurance that the information is correct, we have to know who makes what and where. There are opportunities for enlarging the market for Montana products but the problem has been and will continue to be providing a current listing of such operations. This is a must program

and will require considerable research on the part of the office staff as well as coordinated travel into the counties.

Our research and development potential is another area that has been worked on in the past but considerably more must be done in the future. We feel that while we cannot expect large factories to be established in our State, we can make every attempt to encourage and establish satellite plants for companies engaged in basic research and development. Coordinating industrial research and development with our University System could go a long way toward retention of our graduates in Montana and every effort should be made to improve, increase and give greater emphasis to our research facilities. It is our hope that within the coming biennium we may increase our efforts greatly in this field. Also, in addition to outside interests in our State, we want to improve and make available to Montana people those research and development studies which would improve their economy through better methods and increased use of by-products from our raw materials.

Marketing is another area we are greatly interested in expanding. Much work has been done by people in the University System in this field. We hope to increase activity in business and economic research so that we may properly inform those businesses wanting to start in Montana, including those already in existence that need help, as well as furnish a statewide economic base study. We in Montana have to face the fact that we are not located in a marketing complex and any industry must of necessity take this fact into account. It is important for Montana people to know of this problem before they set out to manufacture a product because an improper market analysis could result in complete failure.

Marketing analysis leads us into another area we must consider and attach

great importance to if we are to grow with any degree of economic stability and that is financing. This subject has been discussed at many meetings and the fact remains that too many people are entering business with an idea and little else. It is important that business succeed, and in order to succeed it must face certain facts about the availability of: (1) markets; (2) raw materials; and (3) adequate financing. No business can succeed until all three factors have been examined and properly related. There are other factors involved but let us consider these three at the present time.

We have discussed markets and what we feel must be done; and we in Montana have the raw materials so that is no problem.

In the finance field money is available from many sources and in varying degrees, and a great many of the lending agencies are to be highly complimented on their response to Montana industry. There are two things lacking and we hope these can be assessed and corrected before too long. One is risk capital as such. One solution offered is the formation of a Montana State Industrial Development Credit Corporation and proper legislation to make available to this Corporation risk capital from banks, insurance companies and others to allow them to loan money not available through normal banking channels. Such legislation was introduced in the 1957 and 1959 sessions and failed to pass for a number of apparently inconsequential reasons which should not negate further attempts. We are again looking at this possibility. Many states have inaugurated such a program with success. The prime importance would be to make capital available in greater amounts than it would be from an individual source -- as the Kansas Bankers' Association calls it, "a gray lending area."

The second program we want to develop and promote is educational. By working with the Small Business Administration and our University System, as

well as local prominent, well-versed individuals, we propose a series of seminars in about six to eight locations in Montana. These seminars would run one or two days and deal in assistance to small businesses already in existence or getting ready to start a business. They would cover such subjects as functions of management, banking, insurance, planning, organizing, directing and controlling, policy formation and decision making, human relations and personnel management, sources of capital, record keeping and interpretation of financial statements, forecasting and budgetary control, sound credit management and other related fields. We feel very strongly that most of the business failures in Montana can be traced to the fact that one or more of these very important points were not known or for that matter were not even thought of when the business was formed. It is impossible to cover all of these subjects very thoroughly in one or two days, so we are currently planning to run a follow-up series for a period of eight weeks, one night a week, in the locations chosen. This requires planning and great thought toward scheduling of speakers. We feel that in the financing of such a project local Chambers of Commerce and businesses will make facilities available and enrollees would bear expenses on a cost basis. We have had many inquiries into such a program and our department would coordinate the efforts.

Our interest and work in economic development has led us into many facets of industry and we find there are large numbers of people involved at the community level. There are the Chambers of Commerce, local development groups, utilities, transportation companies, Federal, state and city-county governmental agencies. Each group is attempting to develop its own area and its own programs. Each, however, is working for the good of Montana in general and its community in particular. We have noted that in many cases there are as many as three organizations working in the same area toward the same goal and

unknown to each other. We feel that in order to be effective we must work toward the coordination of all agencies and groups, thereby eliminating duplication. Our work in this area has led to more harmonious cooperation and we are getting more requests as time goes on. For example, the Bureau of Land Management has asked our office to work with them on a complete inventory of Montana's mineral and nonmineral deposits. This two-way communication is essential to the future development of our State.

We have been working with the State Department of Public Instruction in the area of vocational-technical training, along with the Montana Education Association and the State Rural Areas Development committee. There is considerable interest in this type of program. To date it has been determined that there is a need for training, but a survey is being undertaken to determine who needs training for what industry. The reason we are so interested in this facet of Montana's economy is because manpower is one of the most essential ingredients of industry and if we can work toward manpower training we will be in a better position to advise those people out of state of what we have to offer. Once again we come to the conclusion we must have a statewide comprehensive study over a period of time to determine feasibilities of training, location and type, and to coordinate our program with those funds available from various sources.

Our efforts are not concentrated in the fields of recreation and tourism as this falls mainly in the Departments of Advertising and Fish and Game. We do want to stress the fact that we are interested in pollution problems, proper controls, and establishment of recreational facilities. We feel that we have the opportunity by working closely with these departments to interest people in the manufacture of recreational equipment.

Our office has been designated as the official State agency to administer

the Urban "701" Planning Program. This program offers Federal assistance in matching funds for urban, regional and statewide planning. We supervise and enter into three-party contracts with the city-county planning board, Federal agency and designated planner. Our function at this point is accounting and supervision; however, more and more cities are requesting information and help in establishing such a program in their respective communities. We feel that we are obligated to carry out this important function. This will accomplish two things. First, cement the working relationship with our office which is so vitally needed to culminate economic development at the local level and promote the orderly development of our cities; and, through proper zoning, will establish industrial parks for the proper and orderly location of industry already in existence or coming into a community.

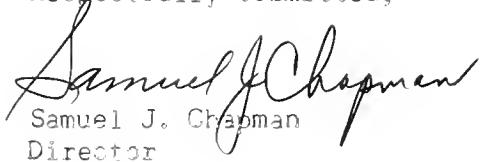
Under the "701" program we could also get a State comprehensive study which we so desperately need for the proper development of our entire State. This State study would start with several projects in mind, such as the study of vocational-technical training needs, a statewide recreation study rather than the spot surveys now being undertaken by several agencies, an economic base study needed in the development of logical marketing studies, inventories of all types, as well as many other programs. It is suggested that the study proceed on a priority basis and only as far as is necessary to give us the material and data necessary to make logical decisions.

In summarizing this program and presenting to you those ideas we have on the overall development of Montana, we mentioned the fact that we need manpower to handle the job and money to finance the programs. It is not the intention of this Board to create an overly large staff. Our budget in the coming biennium is modest and allows for additional staff only on a progressive basis. We feel that orderly development can come only by orderly

addition as the work load increases. As we work into the programs we will develop our plans in logical work methods and as we progress into areas already mentioned and such others as import-export trade through cooperation with the U. S. Department of Commerce, an Inventors' Congress, or providing additional assistance to local development groups, we have no doubt but that our work loads will increase in such a manner that additional competent manpower will be needed. We do not want to impose upon those already working in economic development facets but cooperate with them so that all of us can do a better job. We are proud of the accomplishments made to this date but we also realize that any orderly development or, for that matter, any development at all comes slowly and only through the efforts of a great many people. No one person, staff or board can do it all and we are deeply indebted to all of those who helped to make the progress to date possible.

The Board and Advisory Council members of the State Planning Board have worked hard and diligently over the years. The foundation they have laid has been sound and based upon cold hard facts. It is upon this foundation we propose to build Montana in the coming biennia.

Respectfully submitted,



Samuel J. Chapman
Director

INTRODUCTION

The State Planning Board has been functioning continuously since it was reactivated July 1, 1955 for the purpose of accelerating economic development in the State. After nine and one-half years of operation, its purpose remains the same -- primarily the attraction of new industry to the State, the expansion of existing industry, and a fuller realization of the State's potential for economic development.

The Planning Board operates under a five-man Board which consists of the same members who comprise the State Water Conservation Board. In addition, the Board appoints an Advisory Council which presently consists of fifteen members -- leaders in the fields of industry, finance, law, labor and education.

Primarily a coordinating and administrative agency, the Planning Board is involved in a great number of activities. The Board works closely with community leaders in the fields of economic development and planning, and is the best single source of information and guidance concerning industrial development matters and opportunities in the State. It conducts and encourages research by working closely with the units of the University System.

During the past years, the Planning Board has concentrated on the development of the principal areas of Montana's economy; namely, agriculture, forest products, manufacturing and minerals. However, during the last two years, the Board has become increasingly active in the promotion of research and development type industries as well as encouraging increased research activities in the traditional elements of our economy.

The Western States Navy Research and Development Clinic is a prime example of the type of promotional activity in which the Board has been engaged. This Clinic, which was held at Montana State College in Bozeman July 22 through

24, 1964, brought over eight hundred top scientists and engineers from industry, Federal agencies, research and development institutes, and educational institutions from all over the United States to Montana. The Board believes that the Clinic was a firm and positive step toward developing additional research and development industry in Montana.

Another example of promotion of this type of industry is the Montana Space Council, of which the Planning Board Director is a member. At the invitation of James Webb, Director of the National Aeronautics and Space Administration, the Council traveled to Washington, D. C. to view NASA headquarters and discuss the advantages Montana possesses for research and development with NASA officials. The Planning Board has acted as the coordinating agency for this Council.

The Planning Board, cognizant of the need for trained personnel on the technical as well as the scientific side, has taken an active part in the Rural Areas Development Manpower Committee (a subcommittee of the RAD executive committee of which the Planning Board Director is a member) which has for its purpose the study of vocational-technical training needs in Montana. Increased research and development activity in the State will demand more technical talent. Also, increased vocational education in the State will provide new job opportunities for those displaced by automation and increased mechanization in our largely agriculture oriented economy.

Besides the strictly promotional efforts in developing Montana's economy, the Board has certain responsibilities under the Area Redevelopment Act, and it administers Small Business Administration research grants made in 1959 and 1960, and the Federal Urban "701" Planning Program. The SBA research grants made in 1959 and 1960 have been phased out during this biennium and continuation of the program is doubtful. City-County planning, under the "701"

program, was curtailed during this biennium due to a State Supreme Court decision which ruled unconstitutional the zoning law by which county commissioners could zone areas adjacent to our cities. However, the Planning Board spearheaded a drive for new zoning legislation which was passed by the 1963 legislature. With the new zoning legislation several city-county planning boards became active during this biennium and two local boards have made application for Federal "701" grants.

Besides its other activities, the Planning Board has been involved in assisting small mine operators, in cooperation with the Mining Association of Montana, with problems which have arisen through Federal administration agencies' interpretations of "common varieties" of minerals in Public Law 167, passed in 1955, regarding mining laws.

Promotional activities have included out-of-state trips and meetings, and correspondence with industrialists in an endeavor to interest them in Montana. Here the Planning Board utilizes publications it has sponsored or has published, including a Montana Directory of Manufacturers; Commerce and Industry magazine featuring Montana; a newsletter Industrial Horizons; MONTANA, The Big Sky Country; and other miscellaneous publications.

These promotional, coordinating and administrative activities are discussed in detail in the following pages of this report.

ECONOMY

Population

Montana's population in recent years continued in an upward movement. As shown in the table below, the population increased 18.4 per cent--from 597,000 in 1952 to 707,000 in 1963.

Compared to the states bordering it, Montana had the second highest increase in population. During the same period, Idaho had a 22.5 per cent increase in population while nationally the per cent increase was 20.5 per cent.

POPULATION GROWTH FOR MONTANA, SURROUNDING STATES
AND THE UNITED STATES

	<u>1952</u>	<u>Est. 1963</u>	<u>Per Cent Gain</u>
MONTANA	597,000	707,000	18.4
IDAHO	582,000	713,000	22.5
NORTH DAKOTA	613,000	634,000	3.4
SOUTH DAKOTA	655,000	737,000	12.5
WYOMING	297,000	337,000	13.5
UNITED STATES	156,472,000	188,531,000	20.5

Source: U. S. Department of Commerce, Current Population Reports.

Personal Income

Personal income is the most common measure of State income. State personal income is defined as income received by the residents of the State before direct taxes, such as income taxes, are paid.

Between 1952 and the end of 1963, Montana had a 48.5 per cent increase in personal income, from \$1,066,000 in 1952 to \$1,583,000 in 1963. The average increase in personal income nationally was 71.2 per cent. Failure of Montana to keep up with the national average increase can be attributed

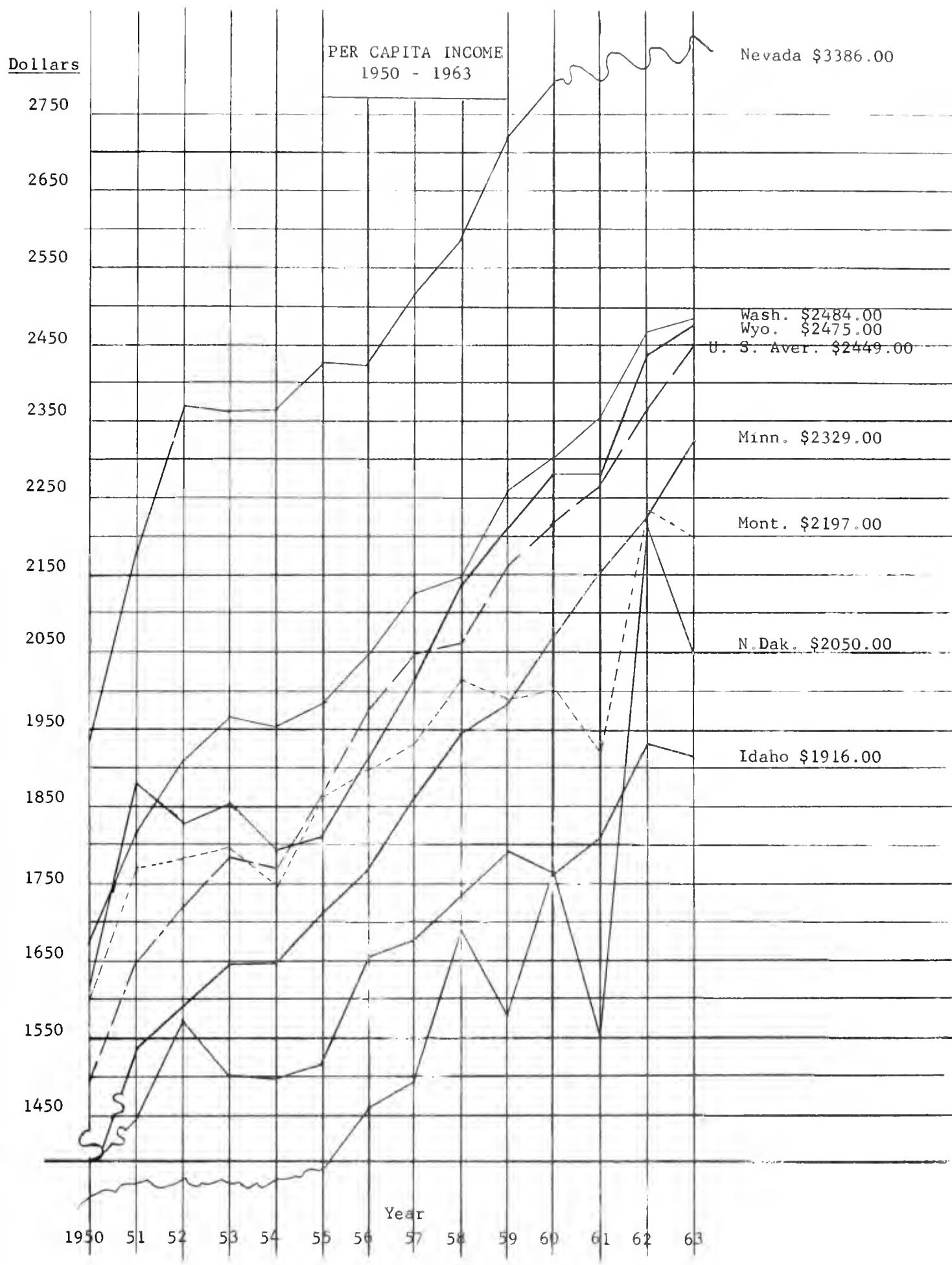
largely to a decline in agriculture which is more important as a source of income to Montana than it is to the nation as a whole. Also, as can be seen on the following chart, Montana had higher than national average personal income, as reflected by per capita income, in the early 1950's and a higher personal income than the states bordering it, except Wyoming.

Per Capita Income

Per capita income figures for Montana, compared with the surrounding states (see chart), show that Montana has fared well during the years 1950 through 1963. Montanans enjoyed a higher average per capita income during the years 1950 through 1953 than the nation as a whole, and dropped slightly below the national average in 1954. A high plateau was reached in 1958 at which time the national average shows a very slight rise, an indication of the recession of that year. A drop in per capita income from this plateau occurred in 1961 reflecting, primarily, the general drought which severely curtailed farm production.

1962 shows a large jump over 1961, reflecting a more normal agricultural production year and increased employment statewide. Farm income was by far the major factor influencing income changes in Montana in 1962. Wages and salary disbursements show a significant increase, with the most notable being in contract construction, manufacturing, wholesale and retail trade, services, and Federal, State and local government. The per capita income figures in 1963 are very close to those of 1962.

Per capita income for 1963 in Montana was \$2,239, compared to \$2,443 for the United States.



Employment

Montana's employment picture for 1957 through 1963 reveals that the total civilian work force for the State has increased by 4,000 persons. (1) At the same time, the total number of persons employed in nonagricultural production has increased by 8,000 workers, or 4.1 per cent.

We find that our agricultural employment has dropped considerably, as it has elsewhere in the nation. For the period 1957 through 1963 Montana's employed agricultural workers have decreased by 3,100 persons, or 8.1 per cent.

A significant change has occurred in the number of persons unemployed. In 1957 there was an average of 13,000 unemployed persons in the State, which represented 5.2 per cent of the total work force. In 1963, however, this figure had decreased even though our total work force had increased. The yearly average unemployment for 1963 represented 12,100 workers, which was only 4.8 per cent of the total civilian work force.

MONTANA CIVILIAN WORK FORCE 1957-1963
(in thousands)

Year	Employed			Unemployed			Civilian Work Force
	Total	Non-Ag.	Agri.	Total	Mont.	U.S.	
1957	237.2	195.8	41.4	13.0	5.2	4.3	250.2
1963	242.1	203.8	38.3	12.1	4.8	5.7	254.2
	+4.9	+8.0	-3.1	-.9	-.5	+1.4	+4.0

Source: State Unemployment Compensation Commission, Montana Civilian Work Force, 1957 to 1963 Report, Helena, Montana.

(1) Civilian work force is the sum of the total employment and total unemployment.

ECONOMIC DEVELOPMENT

Montana has been typified in the past by the production of raw materials for processing in other states and as a market for the finished products of other states. However, in recent years more raw materials are being processed and more new products are being manufactured in the State, resulting in new income, greater employment and more investment opportunities. Historically, the three main supports of our economy have been agriculture, mining, and lumbering. This holds true today except that a change or transition toward a more diversified economy is under way. Large capital investments have been made in Montana during this reported biennium, as well as the one preceding it, for plant expansions and new plants. New developments are occurring at an accelerated rate.

Agriculture

Although Montana is becoming increasingly urban, agriculture remains its largest industry. While total farm income increased in the last 20 years, it has represented a smaller proportion of the State's total income, and the total number of farms and ranches is decreasing while the size is increasing. This is because the cost and competitive situations in agriculture have narrowed the margin between costs and prices. Satisfactory profit in agriculture has become dependent on large volume operation and mechanization.

Cash receipts from farm marketings including crops, livestock and products, and government payments for selected years have been as follows:

1940	\$111,043,000
1950	359,865,000
1955	372,482,000
1960	422,986,000
1961	379,318,000
1962	426,174,000
1963	431,181,000

The State Planning Board recognizes the importance of agriculture in the State's economy and has been working with Montana State College, the Rural Areas Development Executive Committee, the Agricultural Extension Service, and other State and Federal agencies endeavoring to promote new income for the State through increased agricultural production, agricultural diversity, and processing.

Increased cattle feeding and slaughter in the State have been among the major items considered by the Planning Board during this biennium. Montana is the largest producer of the Western States of high quality stocker and feeder cattle and about 1,100,000 head are shipped out of the State annually. A real potential exists for increased feeding operations since all the raw materials required for feedlot operations are available in the State. Also, rapid truck and rail transportation in refrigerated units makes it possible for Montana to supply areas as far distant as California.

Two modern packing plants are planned in the State in widely separated areas. In Glasgow a new \$370,000 plant, Austin's Packing Plant, Inc., is under construction. At Kalispell the Circle K. Packing Plant will be expanded and modernized at a cost of \$300,000. The Great Falls Meat Company plant in Great Falls has been modernized, and Sigman Meat Company in Butte has reopened.

Increased pelleting of alfalfa offers another major potential for the State. Presently there are two pelleting plants in Montana located at Saco

and Belgrade. Another pelleting plant which operated at Bridger burned down but plans are being made for its reconstruction. Several other areas are studying the feasibility of grain pellets as well as hay. Market opportunities in export trade are available and are being investigated. One of the plants exports at the present time and the Planning Board has been working with the U. S. Department of Commerce endeavoring to increase this export business.

An example of the culmination of new products research in agricultural products is the Sunburst Biochemical plant at Conrad which converts barley into syrup and high protein concentrates used in livestock feed. This plant can also produce barley starch, which can be used in the plywood industry. In addition, with further refining, this can be converted into syrup useable in the canning industry.

Opportunity beckons to Montanans who understand or can learn the techniques of pork production. Presently, the swine production in Montana does not meet the demands. Existing State markets could absorb almost a half million more swine annually. Recognizing this potential, a new swine feeding industry was established in Shelby in 1963.

This more complete utilization of our raw materials as a result of research in our own University System is looked upon by the Planning Board as the key to Montana's growth on an economically sound basis.

Fertilizers and Soil Conditioners

The Planning Board has been working with several large chemical companies which have expressed interest in Montana's raw materials for the fertilizer industry as well as fertilizer consumption in the State.

The market for fertilizer has grown rapidly in the past few years and has surpassed all expectations. The potential use of fertilizer may warrant the establishment of an integrated fertilizer plant in the State in the near future.

Montana has experienced new developments in the field of soil conditioners in 1964 with the construction of the Three Forks Manufacturing Company plant at Three Forks and with the establishment of Montana Salvage Company, Inc., at Somers. The Three Forks plant, constructed at a cost of \$200,000, processes manure obtained from a nearby feedlot into a mulch and fertilizer. At Somers, the Montana Salvage Company mines, shreds, dries, and packages sawmill waste which has collected in Flathead Lake for use as a soil conditioner and fertilizer.

Forest Products

The forest products industry, Montana's most rapidly growing industry during the past few years, continued to grow at a rapid pace during 1963 and 1964.

In a gigantic modernization program at Bonner, the Anaconda Company completed one of the nation's most modern wood products plants enabling the company to increase production capacity by 50 per cent. The new planer and storage building covers seven acres.

Another indication of the healthy condition in the industry, the Van Evan Company plywood plant at Missoula, completed in 1960, was expanded a second time in 1963 with an outlay of \$375,000.

The J. Neils Lumber Company (a subsidiary of St. Regis Paper Company) at Libby, which previously constructed a plywood plant and drew the attention of the entire wood products industry with construction of a pilot

plant to extract arabinogalactan (trade name STRacta) from larch trees, doubled the capacity of its stud mill in 1964, which will employ about 50 additional men with an annual payroll increase of \$250,000.

Waldorf-Hoerner Paper Products Company, Inc., at Missoula, increased its production from 500 to 600 tons of pulp a day, most of which is made into food and liner board in the paper mill added in 1960. This increase has been accomplished by efficient use of equipment and by modification of its facilities. In 1964 the company installed an oxidation tower for odor control. In an effort to reduce air pollution in the Missoula valley, the company installed a \$750,000 burner which utilizes waste mill residue from sawmills in the Missoula area, obviating the necessity of burning this waste in individual burners.

A major expansion by Plum Creek Lumber Company was begun in 1964 with its announcement to construct a \$1,000,000 plywood plant at Columbia Falls which would employ 60 men. At its Pablo operation the company has installed a Lantz converter to produce charcoal briquets from its waste products.

At Browning a new sawmill, Rex Brown Lumber Company, was constructed at a cost of \$500,000. The Big Sky Development Corporation continued work on the feasibility of a ground wood fibre plant and made application for a loan from the Area Redevelopment Administration. The \$4,100,000 plant will utilize chips from sawmills in the Kalispell area. The State Board of Health and the U. S. Health Service conducted tests in the area and it appears that any pollution will be below minimum acceptable levels when the plant is in operation.

Although the mill capacity in the western part of the State is equal to or now exceeds the sustained yield of timber, further developments in

the wood products industry can be expected; primarily in pulp, hardboard, and plywood. The Planning Board has been working closely with several firms in regard to this potential. Also, east of the Continental Divide where the mill capacities do not equal the sustained yield, a good potential exists for additional plants to utilize the small diameter lodgepole pine for boards, plywood and pulp.

Minerals

Mineral production receipts have shown a substantial rise over the last ten years. Petroleum surpassed copper as the State's most valuable mineral resource in 1957, and since that time, except for a slight drop in 1963, there has been a steady yearly increase in production.

Mineral production in Montana was valued at \$187,000,000 in 1963, a drop of \$3,700,000 (or 2 per cent) from 1962. Copper output dropped 16 per cent, largely because of production time lost in the transfer of concentrating operations from Anaconda to the new concentrator at Butte.

Offsetting these declines were increases in production of sand and gravel from 18,473,000 short tons in 1962 to 23,200,000 short tons in 1963. Although silver production, which is primarily dependent on copper production dropped, from 4,561,000 ounces to 4,175,000 ounces, its value increased from \$4,948,000 in 1962 to \$5,339,000 in 1963 due to higher prices.

It is expected that copper and petroleum production will increase substantially in 1964 over 1963 due to Anaconda Company's new concentrator and because several new important oil discoveries have been made in 1963 and 1964.

MINERAL PRODUCTION FOR SELECTED YEARS

<u>Year</u>	<u>Total</u>	<u>Copper</u>	<u>Petroleum and Natural Gas</u>
1954	\$125,983,000	\$35,016,000	\$33,300,000
1955	167,654,000	60,830,000	37,500,000
1957	191,762,000	55,090,000	73,500,000
1960	179,062,000	59,046,000	75,300,000
1961	182,025,000	62,304,000	77,500,000
1962	190,657,000	57,917,000	78,907,000
1963	187,022,000	48,731,000	77,510,000

Metallic Minerals

Highlighting all announcements of new plants and expansions during this biennium was the Anaconda Company's announcement that it spent \$55 million for new plants, equipment, and improvements in its Montana operations. At Columbia Falls excavation was begun by the Anaconda Aluminum Company for addition of one pot line to the two now in production, which will increase the rated output of the plant from about 135 million pounds to approximately 200 million pounds of aluminum annually. Progress was also reported in the extraction of alumina from clay. The Anaconda Company's new ore concentrator in Butte was put in full operation in 1964.

In September of 1963 the Anaconda Company announced plans to build a beryllium test plant at Anaconda, presumably to test concentrating and metallurgical techniques on beryllium ore from Nevada. If testing is successful, the company will consider building a commercial-size beryllium concentrator and refinery in Montana.

Increased interest in Montana's mining districts has been noted recently due to the rise in price of silver and the growing demand and improved prices for copper, lead and zinc.

At Bannack, Spokane National Mines, Inc. completed a long exploration adit and other work at its New Departure silver-lead mine 17 miles

west of Dillon. At Superior the Bunker Hill Company continued exploration and development work on three levels of the Nancy Lee silver-lead mine. Pacific Mines Company cleaned out and rehabilitated a long drift in the Pacific gold-silver mine near Virginia City.

Near Boulder the Romerio family has been developing an open pit mine and has shipped ore to the East Helena smelter. United Buffadison, Ltd., of Toronto, Canada, conducted a detailed exploration and core drilling program at the Crystal mine near Basin. Near Deer Lodge, at the Champion Mine, Ray Kaledstet has been conducting rehabilitation work on the mine.

At Bannack, the Phelps Dodge Corporation conducted a large scale geophysical and geochemical exploration program. In the same area, the Grand Deposit Mining Company did some exploration work. Other exploration work during this biennium has been conducted in Montana by American Metal Climax Corporation, Silver Mountain Mining Company, Northern Continental, Inc., Merger Mines, Ltd., Bearcreek Mining Company, and others. Vitro Minerals Corporation obtained leases on 86 mining claims and two sections of State-owned land in the Judith Mountains near Lewistown, and plans extensive exploration in the area.

Increased attention is being given to Montana's iron ore deposits. Near Sheridan, F & S Construction Company of Butte has drilled and proven reserves in two deposits. The possibility exists that a commercial operation utilizing this raw material may develop.

According to a recent study conducted by the Chemical Engineering Department at Montana State College, direct reduction of iron ore may be feasible in Montana. However, further research work is needed to substantiate the preliminary findings.

Two of the country's major copper producers have acquired nearly 30,000 acres in Lewis and Clark County for mineral exploration. Late in 1963 the Anaconda Company acquired mining claims involving about 6,000 acres. Kennecott Copper Corporation, through its subsidiary Bear Creek Mining Co., has claims on about 5,000 acres, an option agreement on about 4,000 more, and about 13,000 acres leased. The land involved centers in the Mike Horse Mine area near Rogers Pass.

Nonmetallics

Phosphate rock is the most important mineral raw material used by the chemical industry in Montana.

The Planning Board is aware of the potential which exists for a fertilizer plant utilizing phosphate as a raw material and has conducted investigations along these lines. Interest in Montana's phosphate deposits has been expressed by several large companies during the last two years. With its large reserves, the State can expect increased activity in this field.

During this biennium, the Montana Phosphate Company, a subsidiary of Consolidated Mining and Smelting Company of Canada, completed development of its Douglas mine in Granite County and constructed a phosphate concentrating plant at Hall. The announced expenditure for the entire project was \$6,000,000. The company will upgrade phosphate rock from the Douglas Mine to 31 per cent P₂O₅ for shipment to Canada.

In other developments in the nonmetallic field, Ideal Cement Company at Trident completed construction of new storage and loading facilities. At Garrison, Rocky Mountain Phosphates, Inc., has completed a \$375,000 defluorinated phosphate plant. The Centennial Mining Company of Sheridan

announced plans to install a small mill at its talc Ridge mine near Cameron.

The Planning Board has been working with two different firms which are interested in developing asbestos deposits. Montana has several high grade silica deposits which the Board has been promoting. At Basin, the Pacific Silica Company began mining silica which is crushed at the site and shipped to the West Coast.

New developments have been occurring in stone production in two areas of the State. At Sheridan, the American Chemet Corporation mines onyx marble and has constructed a plant for screening and processing the rock. White roof chips production is the greatest single use made of onyx marble, but much of it goes into terrazo, precast decorative paneling, and as a calcium source for animals and poultry. At Livingston, the Livingston Marble and Granite Works has added equipment for more complete utilization of travertine, obtained at Gardiner.

Petroleum

Renewed interest and great impetus has been given the petroleum industry in 1963 and 1964 by some spectacular discoveries in the State. Although petroleum production in 1963 dropped slightly below that of 1962, this is thought to be but a temporary setback for Montana remains one of the largest relatively unexplored oil producing areas in the Nation.

Excitement was created in Toole County in 1963 by the discovery of the Fred and George Creek field where the oil producing horizon, the Sunburst Sand, is less than 3,000 feet below the surface. Discovery of oil made optimistic the exploration in other vast areas in that vicinity where this same sand is known to exist.

Other discoveries in widely separated areas of the State also have been drawing close attention. New discoveries have been made in extreme eastern, northeastern, and southern portions of the State. In Musselshell County, Occidental Petroleum Corporation made an important discovery on the Pole Creek anticline and now has seven producing wells and is doing further exploration and delineation of the field. Great interest and lease play followed the discovery of a new field in Big Horn County in the Powder River Basin. This basin is a vast area and productive to the south in Wyoming and has every indication of being just as productive in Montana.

Evidence of the confidence in Montana's future in petroleum is indicated by the recent refining expansions and improvements. Continental Oil Company at Billings doubled its capacity to 32,000 barrels a day and constructed a products pipeline from Billings to Sinclair, Wyoming. Total cost of the expansion and new pipeline was announced at \$14,000,000. Also impressive was the announcement of Humble Oil to spend \$7,000,000 on a new hydrocracking unit at its Billings refinery. The Farmers Union Oil Company constructed a \$1,300,000 de-asphalting unit at its Laurel refinery and Union Oil Company announced refinery improvements totaling \$500,000 at Cut Bank. In addition, the North Star Refining Company, Inc. reopened the Modern Oil Refinery Company facility at Shelby. At Great Falls, the Phillips Petroleum Corporation added a depropanizer for isolating propane and a debutanizer to isolate butane, in addition to new fractionating towers for improved handling of light straight-run gasoline and an asphalt heater.

The State Planning Board has given considerable attention to the potential which exists for the petrochemical industry in Montana. The three refineries in the Billings area are large enough to justify petro-

chemical production and could make some additional petrochemicals with only minor changes. At the present time, the Montana Sulphur and Chemical Company, established in 1956, manufactures elemental sulfur in Billings utilizing waste hydrogen sulfide from the Humble Oil refinery, and has recently installed equipment to make flaked sulfur which is packaged in 50-pound bags and marketed as an additive to fertilizer and to industrial consumers in Montana and the surrounding states.

<u>Company</u>	<u>Location</u>	<u>Facility</u>	<u>Investment</u> \$	<u>Completed</u> 63	<u>Est. Em- ployment</u>
American Crystal Sugar Co.	Missoula	Plant Improvements	NA	NA	NA
Anaconda Aluminum -----	Columbia Falls	- Addition of new potline ---	NA	65	100
Anaconda Company -----	Missoula, Butte, Gt. Falls & Co- lumbia Falls ---	Various -----	55,000,000	63	NA
Austin's Packing -----	Glasgow -----	Packing Plant -----	370,000	65	30
Bozeman State Park Recreation Association -----	Bozeman -----	Double Chair Lift -----	125,000	64	NA
Circle K. Packing Co. -----	Kalispell -----	Packing Plant -----	300,000	65	30
Continental Oil Company -----	Billings -----	Refinery Expansion -----	7,000,000	64	NA
Continental Oil Company -----	Billings to Sheridan, Wyo.---	Products Pipeline -----	7,000,000	64	NA
Farmers Union Refinery -----	Laurel -----	De-asphalting unit expan.---	1,300,000	64	6
Grizzly Peak Ski Resort -----	Red Lodge -----	Upper Lift -----	NA	63	NA
Holly Sugar Corporation -----	Sidney -----	Plant Improvements -----	NA	64	NA
Humble Oil Company -----	Billings -----	Hydrocracking Unit -----	7,000,000	64	NA
Ideal Cement Company -----	Trident -----	Storage Silos -----	NA	63	NA
Kaiser Gypsum & Cement Co. -----	Montana City ---	New Silos & Loading Facilities -----	1,100,000	65	NA
Montana Phosphate Products Co.---	Hall -----	Mine and Mill -----	6,000,000	64	200
Montana Sulphur & Chemical Co. -	Billings -----	New Equipment -----	NA	64	NA
Northern Plains Soil & Water Field Station -----	Sidney -----	Research Facilities -----	395,000	64	30

<u>Company</u>	<u>Location</u>	<u>Facility</u>	<u>Investment</u>	<u>Completed</u>	<u>Est. Employment</u>
Phillips Petroleum Co. -----	Great Falls -----	Depropanizer and debut'zer--\$	NA	64	NA
Plum Creek Lumber Co. -----	Columbia Falls - Plywood Plant -----	-----	1,000,000	64	75
Plum Creek Lumber Co. -----	Pablo -----	Lantz Converter for Charcoal Briquets -----	NA	64	NA
Rex Brown Lumber Co. -----	Browning -----	New Sawmill -----	500,000	64	NA
Rocky Mountain Laboratory -----	Hamilton -----	Lab. Facilities Expansion -----	750,000	63	NA
St. Regis Paper Company -----	Libby -----	Double capacity of stud mill	250,000	64	54
Ski Lift, Inc. -----	Kings Hill -----	T-Bar -----	118,000	63	NA
Snow Bowl, Inc. -----	Missoula -----	New Ski Area -----	300,000	63	NA
Three Forks Manufacturing Co. --	Three Forks -----	Manure dehy. Plant -----	200,000	64	6
Union Oil Co. of California -----	Cut Bank -----	Refinery Improvements -----	500,000	64	NA
Van-Evan Plywood Co. -----	Missoula -----	Plywood expansion -----	375,000	63	90

PROPOSED:

Big Sky Development Corporation - Kalispell -----	Groundwood fibre plant -----	1,400,000	65
U. S. Forest Service -----	Missoula -----	Equipment develop. & testing Laboratory -----	500,000

Research and Development Promotion

Through a determined effort by the State Planning Board, the University System and private industry, Montana is making a bid to boost its research and development potential, as well as increase its share of defense-oriented contracts.

To make the citizens of the State and the Nation cognizant of the research and development already being carried on, as well as to point out its potential, the State has taken two approaches. First, the Western States Navy Research and Development Clinic was staged at Montana State College in Bozeman, July 22, 23, and 24, 1964, which was attended by over 700 top scientists, engineers, and management personnel from private industry, all the Federal services, research and development laboratories, and from colleges and universities from all over the United States. Second, late in 1963 the Governor, working with the State Planning Board, formed a Space Council with its express purpose to assess Montana's capability in research and development. It is also aimed at increasing Montana's share of defense and space-oriented contracts as well as creating new research and development establishments in the State.

On January 24, 1964, the entire fifteen-member Space Council traveled to Washington, D. C. at the invitation of James E. Webb, Director of NASA, to visit the National Aeronautics and Space Administration headquarters. The group made this trip to brief NASA officials on the advantages of locating future research and development facilities in Montana. Subsequently, the Space Council has prepared a directory on research and development presently being conducted by private industry, the University System, and Federal agencies in the State, as well as pointing out the advantages of locating additional facilities in Montana.

Organized research and development is already active in Montana. Many firms such as the Anaconda Company, the oil refineries and timber products companies maintain research facilities in the State. Government agencies, private nonprofit research institutions, and the Montana University System are active in applied and basic research. Much of the research being carried on in the Montana University System is directed toward the development of processes which will create new industries in the State or contribute to the expansion of industries already here.

Research at the State educational institutions is divided according to their specialties. Montana State College specializes in research in the engineering, physical, life and agricultural sciences. Research areas range from frequency modulation studies in electronics to molecular biology in the life sciences. The Endowment and Research Foundation, a separately incorporated nonprofit organization attached to MSC, conducts research in chemical, mechanical and electrical engineering as well as the physical and life sciences on contract and grant bases for private industry and governmental agencies.

The Electronics Research Laboratory, which operates under the Foundation, carries on intensive communication systems research. Sponsors of some of the projects include Boeing, the Air Force, Stanford Research Institute, IBM Corporation, NASA, and others.

Montana State University puts its research emphasis on business, physical and life sciences and natural resource management. Current projects sponsored by State, Federal and private agencies range from a U. S. Air Force sponsored study of factors affecting the serial reproduction of information, to study of the immunological aspects of tuberculosis and other diseases caused by acidfast bacilli.

Research currently being conducted at Montana School of Mines is oriented to those scientific fields upon which the college and the Montana Bureau of Mines and Geology, a department of the college, are based -- geology, mining, mineral beneficiation, metallurgy, chemistry, physics, geophysics, and petroleum. Research is administered through the Mineral Research Funds of the Research and Development Foundation, a separate and nonprofit corporation.

Montana is a research leader in many fields. Some of the State's most notable contributions have been made through the Rocky Mountain Laboratory and the Holter Research Foundation.

The Rocky Mountain Laboratory, located at Hamilton, is the second largest United States Public Health Service laboratory and has an enviable record of achievement. This laboratory developed a vaccine to counteract Rocky Mountain spotted fever, a nearly always fatal disease carried by the wood tick. These researchers were prominent in the development of yellow fever and typhus vaccines. Recently the laboratory announced a breakthrough in development of a more effective tuberculosis vaccine. Early in 1964 the laboratory dedicated \$750,000 worth of new buildings and remodeling.

The Holter Research Foundation in Helena is internationally known for its research in medical physics. The foundation has contributed over 30 original research papers to the public at large and has developed a new instrument called the electrocardiocorder which created a new sub-specialty in medicine. Also, the Holter Foundation conducts research in atomic measurement. The early Russian secret nuclear blasts were detected by a new method developed by the Holter Laboratory.

The U. S. Forest Service conducts research at two centers in Montana -- Bozeman and Missoula. At Bozeman the major efforts of the laboratory are directed toward development of new engineering techniques for the harvesting of small diameter lodgepole pine, while the laboratory at Missoula conducts research on the solution of critical forest fire problems.

At Sidney, the Soil and Water Conservation Research Division of the U.S. Department of Agriculture's Research Office will administer the \$395,000 Northern Plains Soil and Water Field Station now under construction. All research work will be conducted by this division in cooperation with the Montana Agricultural Experiment Station, MSC. Thirty persons will be employed at this field station when it is fully staffed.

Growth potential for research and development activities is good in the State of Montana. For example, the Electronics Research Laboratory at Montana State College, established in 1956 with an initial staff of three, has grown to its present staff of sixty, twenty-five of whom are permanent staff members and twenty-four are graduate students working as assistants. The laboratory accomplishes three objectives: first, it provides an effective graduate program for students by giving them valuable experience in research and development projects as well as financially supporting their education; secondly, it provides the faculty with research and development activities to keep them technically up to date; last, the laboratory provides the opportunity for trained engineers and scientists to pursue their careers in research and development in Montana, which also aids our economic development.

Montronics is another example of the potential which exists for research and development firms, and stresses the importance of the Electronics

Research Laboratory at MSC. Montronics was formed originally by transplanting the electronics systems development group of the Electronics Research Laboratory into a private corporation. The company was acquired by the John Fluke Manufacturing Company, Inc. of Seattle in 1963 and presently employs approximately 50 persons -- engineers, technicians, and draftsmen.

Another example of a successful research and development firm is that of Televox, Inc. of Billings. This firm was started by Barna Majoros, a refugee from Hungary, in 1947. He developed the stereo pillow which the company now manufactures. A spokesman for this company has stated that the advantages of locating such an industry in Montana far outweigh the few drawbacks.

Increased research and development activities will add greatly to Montana's economy and will provide jobs for the many graduates of our fine institutions of higher education who presently leave the State because of limited opportunities in their professions.

RECREATION

Montana has experienced increased activity and expenditures in the recreational field during this biennium. In four widely separated areas facilities have been added to accommodate the rapidly expanding demands for winter recreation facilities.

At Grizzly Peak near Red Lodge an upper lift was added to the existing skiing facilities. A new ski area, Snow Bowl, was developed near Missoula in 1963. Ski Lift, Inc., placed a T-Bar into operation in 1963 at an outlay of \$118,000, and at Bozeman, the Bozeman State Park Recreation Association constructed a \$125,000 double chair lift at Bridger Bowl ski area.

The Planning Board Director has been named to the Governor's Outdoor Recreation Advisory and Planning Committee. This 19-member committee, representing State and Federal agencies, is primarily for the purpose of reviewing and making recommendations for needed legislation in the recreational field and to direct and coordinate a statewide recreational plan, when such a plan is undertaken.

"701" URBAN PLANNING PROGRAM

The State Planning Board is the official State agency designated by law to encourage the formation of active municipal, county, district and other local planning bodies within the State, and to render them all assistance reasonably possible.

Section 701 of the Housing Act of 1954, as amended, provides that urban planning grants can be made to state planning agencies for planning assistance to communities under 50,000 population (cities larger than this can apply direct). Therefore, communities under 50,000 must obtain planning grants through application to the State Planning Board which then must apply to the Federal Government for these funds.

As the administering agency for "701" planning grants, the Board is responsible for the entire administration and accounting for each project. The Board enters into a contract with the Housing and Home Finance Agency and also into a 3-party contract with the community and consultant on each planning project.

The Housing and Home Finance Agency of the Federal Government has set up guidelines for the administration of these planning projects which state that for administrative personnel one staff man should be assigned to supervise the work in a maximum of 12 to 16 communities. This variation takes into account differences in size and complexity of work in the community, and includes those communities which have retained a planning consultant.

Using this criterion, a State Planning Board staff member is currently devoting approximately one-sixth of his time to the administration of planning projects since two such studies are currently active in the State.

It is anticipated that planning activity will increase substantially, as well as the administrative time, during the next year since the communities of Deer Lodge, Anaconda, St. Ignatius, Laurel, Sidney, Columbus, and Polson have expressed interest in undertaking such studies. Also, communities which have already prepared Master Plans, including Kalispell, Helena, Missoula, and Bozeman, have indicated interest in continuing planning under the "701" program.

If all eleven of these communities were to make application for "701" funds within the next year, coupled with one project yet to be completed within the next year, administration of this program would require the full time of a staff man.

The renewed interest in planning in Montana can be attributed directly to the passage of amended legislation regarding the formation of city-county planning boards and a new act authorizing zoning by county commissioners by the 1963 State Legislature. The previous law authorizing zoning in county areas adjacent to our communities was ruled unconstitutional by the Montana Supreme Court in 1961. The State Planning Board spearheaded a drive for new legislation by calling meetings in 1962 of leading attorneys in the State, assisting in the preparation of the amendments to the law authorizing planning boards, and in drafting new legislation to enable zoning in areas immediately adjacent to our communities.

At the present time, active planning boards exist in Billings, Great Falls, Glasgow, Helena, Bozeman, Columbia Falls, Lewistown, Whitefish, Kalispell, Missoula, Havre, Deer Lodge, and Polson. Progressive communities in the State realize that something has to be done about the problems facing them. It is obvious that unplanned, uncontrolled urban growth has

not solved any of the problems occasioned by rapid urbanization; at least not in a manner financially responsible, or beneficial to the community.

The State Planning Board has been considering conducting a statewide or regional study of economic base, resource development, land use, transportation, and public facilities as priority items for study. The majority of other states have undertaken studies of this nature under this program; that is, matched one-third State funds with two-thirds Federal funds. Total cost of such statewide programs in other states has ranged from \$36,000 to over \$700,000.

If the Planning Board were to undertake the administration of such a program, it would be necessary that one additional employee be added to the staff and an appropriation for this purpose would have to be made by the Legislature.

Economic development of the State of Montana is closely hinged to proper planning. As our urban population (and Montana is more urban than rural) grows and people live in closer contact, it is necessary, in order to preserve the health and well-being of our citizens, that proper planning with its zoning and subdivision regulations be adopted.

ARA ADMINISTRATION PROGRAM

The State Planning Board was assigned certain responsibilities in the administration of the Area Redevelopment Act in the State by the Governor in 1961. These responsibilities include review of Overall Economic Development plans before their submittal to Washington, D. C., as well as review and approval of project proposals.

Through this Act, Federal assistance is available in the form of long-term industrial and commercial loans, public facility loans and grants, and technical assistance and vocational training projects for areas designated as redevelopment areas by the ARA.

Redevelopment areas are so designated on the basis of substantial and persistent unemployment for an extended period of time, and include those areas which have the highest number and percentage of low-income families, and in which there exists a condition of substantial and persistent unemployment.

Before an area is eligible to receive financial assistance under this program, it is necessary that an Overall Economic Development Plan be compiled. The State Planning Board has the responsibility of reviewing and approving such plans before they are forwarded to the Area Redevelopment Administration in Washington, D. C. Similarly, every project application is reviewed by the Board which has the authority to either approve or disapprove project applications. Approved project applications are forwarded to ARA headquarters.

In Montana, all seven Indian Reservations are classified as redevelopment areas including the Blackfeet, Flathead, Fort Peck, Rocky Boy, Crow, Northern Cheyenne, and Fort Belknap Reservations. Also, the

counties of Lincoln, Flathead, Sanders, Lake, Ravalli, Granite, Deer Lodge, Silver Bow, Park, Carbon and Musselshell fall under this classification.

All of the areas have prepared and submitted OEDP's which have been approved by the ARA and, thus, all those areas are eligible to receive Federal assistance under this Act.

Nationally, the Area Redevelopment Administration has come under considerable fire in that it has been accused of making loans which provided unfair competition to an existing industry. Such a situation occurred in Montana in 1963 when a plywood firm in Flathead County made application to ARA for a loan which was strongly opposed by other sawmill operators in the area because of the competition for stumpage. The other operators felt this plant, which was already very competitive, would be more so with a low-interest, long-term loan through ARA. The project application was disapproved by the State Planning Board.

Realizing the pitfalls involved in approving the utilization of tax-payers' money to assist private industry, the Planning Board has been extremely judicious in its review of project applications.

During the years 1963 and 1964, the Planning Board has reviewed project proposals as follows:

ARA Projects Reviewed by State Planning Board¹

Crow Industries, Hardin, for alfalfa mill -- Approved April 16, 1963

Montana Grain-Fed Beef, Inc., Butte, for feedlot -- Approved June 7, 1963

Pintlar Forest Products Co., Philipsburg, for sawmill -- Returned to applicant for revision September 6, 1963

Northern Cheyenne Tribal Council, Lame Deer, for products and market research study -- Approved November 8, 1963

Big Sky Development Corp., Kalispell, for groundwood fibre plant -- Approved November 13, 1963

ARA Projects Reviewed by State Planning Board¹ (continued)

Western Montana Development Corp., Kalispell, for Circle K Packing Plant -- Approved January 6, 1964

Junior Chamber of Commerce, Kalispell, for feasibility study for convention center -- Approved April 1, 1964

Crown Manufacturing and Sales Co., Anaconda, for concrete roofing shingles -- Approved June 3, 1964

Ashton Printing & Engraving Co., Butte, for expansion -- Approved August 3, 1964

C. B. & F. Corp., Culbertson, for livestock feed processing and manufacturing plant -- Approved August 10, 1964

Collins Feed & Seed, Bridger, for feed mill -- Approved June 8, 1964

Although the immediate accomplishments of the ARA Act have not been substantial, perhaps the greatest results have been in promoting the formation of local boards to view their own economic problems and potentials with a long-range plan for development.

¹Action indicated is by State Planning Board only, as State agency designated to review applications. Final action rests with ARA in Washington, D. C.

RURAL AREAS DEVELOPMENT EXECUTIVE COMMITTEE

The State Planning Board has been taking an active part in the Rural Areas Development Committee. The Planning Director is a member of the executive committee. A statewide RAD committee was set up by the Secretary of Agriculture in 1961 to give assistance to local initiative and to insure leadership and coordinated action in meeting the needs of rural areas. Primarily, the committee is interested in economic development -- in the expansion of existing industry, the establishment of new industry, development of county resources, and increased productivity and profitability of our agricultural lands.

Several subcommittees have been set up under the direction of the State RAD Executive Committee -- in forestry range resources, manpower and recreation. The Director of the Planning Board serves on two of the subcommittees -- recreation and manpower.

The objectives of the recreation and tourism subcommittee primarily are to assist in determining Montana's potential for outdoor recreation development as related to anticipated needs, assist in developing a statewide outdoor recreation plan, and furnish guidance and assistance to individuals and communities planning outdoor recreational development.

The manpower subcommittee has for its purpose the development, promotion and coordination of an informational program on the manpower situation on a statewide basis as well as assisting with the development of a vocational-technical education program in the State.

The RAD Executive Committee is also charged with the responsibility of reviewing the Overall Economic Development Plans and project proposals in areas designated as rural redevelopment areas by the Area Redevelopment Administration.

TECHNICAL ACTION PANEL

The State Planning Board Director is a member of the State Technical Action Panel, a group composed of heads of departments of Federal and State agencies. Represented on the panel are the Farm Home Administration, Forest Service, Agricultural Stabilization and Conservation Service, Soil Conservation Service, Extension Service, Vocational Agriculture, Agricultural Research Service, State Planning Board, Rural Electrification Administration, State Forestry Department, State Fish and Game Department, and the Dean of the Division of Agriculture at Montana State College.

Such panels also exist on a county level throughout the State. Primarily, the purpose of the State and local panels is to encourage and answer inquiries of a technical nature, such as advising localities on economic development or on such matters as irrigation projects, as well as Federal assistance programs presently in effect. The facilities of all the State and Federal agencies may be called upon to assist in solving technical problems. In addition, all the Overall Economic Development Plans plus any project proposals in areas designated as Rural Development Areas by the Area Redevelopment Administration are reviewed by the group.

Periodic meetings of the State panel assure positive coordination of the work conducted by the various agencies involved.

SBA RESEARCH GRANTS

In 1959 and again in 1960, the State Planning Board received grants of \$40,000 to conduct research into the problems of small businesses. While the Planning Board was the administrative agent on these studies, the actual research was carried out at the units of our University System. The Board's responsibility included bi-annual expenditure reports to the SBA, coordination and completion of the approved reports, and bulk mailings of the completed reports.

Preparation of these reports was phased out during 1964 and no further grants have been made by SBA for continuation of reports of this type.

1959 Grant

Utilizing the 1959 grant funds, the following reports were undertaken by the various listed colleges:

<u>Title</u>	<u>School and Department</u>	<u>Status</u>
1. Marketing Problems of Small Business Enterprises Engaged in Lead and Zinc Mining	Montana School of Mines, Bureau of Mines & Geology	Completed and available from the Bureau, Price \$1.25
2. Analysis of Expansion and Diversification Possibilities for Existing Small Metalworking Shops in the State of Montana	Montana State College, Industrial Engineering Department	Cancelled by SBA, and not available
3. An Investigation of the Training Requirements of Small Business with Regard to the Educational Needs of Prospective Employees	Northern Montana College	Completed and available from N.M.C., Price \$1.25

<u>Title</u>	<u>School and Department</u>	<u>Status</u>
4. Research on Small Business Success and Failure in a Natural Resource Economy	Montana State University, Bureau of Business & Economic Research	
Four parts:		
I. A Trade Potential Study of Montana		Cancelled by SBA and not available
II. A Study of Legal Barriers to Competition in Montana State and Local Law		Completed and available from the Bureau
III. Pilot Study of Successful and Unsuccessful Small Business Enterprises within Montana	Montana State University, Bureau of Business & Economic Research	Completed and available from Bureau, Price \$1.00
IV. A Survey of Mail Order Buying Habits in Missoula County		Completed and available from Bureau, Price \$1.00

1960 Grant

The 1960 grant financed the following reports:

1. The Survival and Growth Potential of Small Meat Packing Businesses in Montana and the Northern Rocky Mountain Region
Montana State College,
Division of Agriculture
Completed and available from MSC, Price \$1.00
2. Research on, and Compilation of, a Record-Keeping Handbook for Small Businesses Engaged in Mining
Montana School of Mines,
Bureau of Mines and Geology
Completed and available from Bureau,
Price \$1.25
3. Analysis of Expansion and Diversification Possibilities for Existing Small Wood Fabricating Concerns in Montana and the Northern Rocky Mountain Region
Montana State College,
Industrial Engineering Department
Cancelled by SBA, and not available

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